

Western to supply power to Native Americans

Twenty-five Native American tribes in the Upper Great Plains Region will receive electric power for two decades beginning in 2001 through Western's Energy Planning and Management Program. One goal of the program is to provide power allocations to new preference customers, which in the UGP includes not only the Indian tribes but 11 new utility customers as well.

Final power allocations became effective April 10, 1997. Western will furnish firm electric service to the tribes and utilities from Jan. 1, 2001 through Dec. 31, 2020. If tribes choose not to attain utility status, Western will deliver tribal allocations

which 65 MW is going to Native American tribes, about 80 percent of the resource pool.

Western's power allocations to individual tribes vary based on indirect benefits of Western power they currently receive through their serving cooperative or municipal utility. Final allocations provide, directly and indirectly, 62 percent of summer needs and 55 percent of winter needs. Five tribes currently have Western power allocations. Not all tribes are using the allocation at this time. Irrigation projects also received the allocation under special legislation.

Western has met with each tribal council regarding the Native American Reserve Contract. According to **Jon Horst**, project team lead in Billings, it took several meetings to develop a trust relationship between the tribes and Western. "I personally have attended approximately 50 meetings with individual tribal governments," he noted.

Two-phase process

Contracts associated with the tribes establish a two-phase process. The initial phase requires execution of the Reserve Contract which includes the conditions under which the power allocation will be

Team turns plan into reality

Upper Great Plains Region has established a team to work on contract implementation issues for the Native American allocations. **Jon Horst**, team lead for the project, works with the following Western employees:

- ★ **Jim Bach**, Bismarck: A UGP field representative, he works with the tribes.
- ★ **Carol Estebo**, Watertown: A public utilities specialist, she analyzes billing options.
- ★ **Ron Klinefelter**, Golden: An attorney in the General Counsel's office, he provides legal advice to UGP.
- ★ **Craig Knoell**, Lincoln: A UGP field representative, he works with the tribes.
- ★ **Greg Vaselaar**, Huron: A UGP field representative, he works with the tribes.

through such measures as bill crediting.

The tribes as a whole will receive approximately 65 megawatts in the summer and 62 MW in the winter from Pick-Sloan marketable resources starting in 2001. The total resource pool set aside for new customers is approximately 80 MW, of

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Power

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preserved. The Reserve Contract is a contractual document between Western and an individual tribe that preserves an allocation of Pick-Sloan power starting in the year 2001 through 2020. All 25 tribes have executed their Reserve Contract.

The Reserve Contract for each tribe must be amended to identify specific delivery information for firm electric service or other arrangements to provide tribes with the benefit of Western’s power allocation. “Preservation of the allocation will assure the tribes they have a right to the power allocation in the future, even though the delivery conditions are uncertain at this time,” Horst said.

The second phase requires amending the Reserve Contract to provide specific delivery information for firm electric service or other arrangements. Western, in conjunction with Mid-West Electric Consumers Association, its members and the tribes, is developing contractual language for a bill-crediting program to provide allocation benefits to Native Americans.

Bill crediting is the only method proposed by any of the power suppliers or tribes, which has been widely discussed and generally accepted as a reasonable alternative to direct delivery of power, Horst noted.

The program is a mechanism to provide low-cost hydropower to individual tribal consumers. To implement the program, Western agrees to sell energy designated for the tribe to a regional power supplier at Western’s composite rate. The benefit to the tribe is derived from the difference between Western’s composite rate and the regional power supplier’s composite rate for energy. The regional power supplier passes the benefit to the serving entity of the tribal members who then passes the benefit to the tribe’s designated eligible tribal account beneficiaries. Designated tribal beneficiaries will receive benefits as a credit to their power bill through the existing billing processes.

“Western anticipates bill-crediting program arrangements will be completed this year with several tribes,” Horst added. 

Energy Planning and Management Program timeline

1995-1996	Power Marketing Initiative	Effective Nov. 20, 1995. Process began to extend 96 percent of existing resources to current customers from 2001 to 2020. UGP set aside 4 percent of unextended power for new customers.
1996	Applications received	Western obtained application; determined procedures and allocations for new customers.
1996	Post 2000 Resource Pool final procedures	Effective Sept. 7, 1996; Western outlined eligibility.
1997	Post 2000 Resource Pool Final Allocations	Effective April 10, 1997; allottees and allocations announced for 25 Indian tribes and 11 new utility customers.
1997-1998	Reserve Contracts	Executed Reserve Contracts with tribes.
1998-1999	Consultation process	Consult with tribes to develop contractual language for firm electric service or other arrangements.